

Village of Tickfaw, Louisiana

Annual Financial Statements

As of June 30, 2014 and for the Year Then Ended

Village of Tickfaw, Louisiana
Annual Financial Statements
As of June 30, 2014 and for the Year Then Ended
With Supplemental Information Schedules

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October 2, 2014

Independent Auditor's Report

The Honorable Mayor Anthony Lamonte
and Members of the Board of Aldermen
Village of Tickfaw, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Tickfaw, Louisiana as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Tickfaw, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, and each major fund of the Village of

Tickfaw, Louisiana, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 44 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

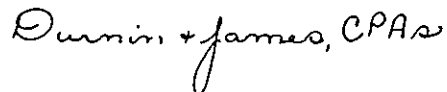
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Tickfaw, Louisiana's basic financial statements. The other supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2014, on our consideration of the Village of Tickfaw, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Tickfaw, Louisiana's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs".

Durnin & James, CPAs
(A Professional Corporation)

Required Supplemental Information (Part I)

Management's Discussion and Analysis

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Introduction

The Village of Tickfaw, Louisiana (the Village) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Village's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position, (d) identify any significant variations from the Village's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements on pages 14 through 26 of this report.

Financial Highlights

- At June 30, 2014, the Village's assets exceeded its liabilities by \$2,773,633 (net position). Of this amount, \$337,235 (unrestricted net position) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 30, 2014, the Village's total net position decreased by \$68,044.
- At June 30, 2014, the Village's governmental funds reported combined ending fund balances of \$201,156, a decrease of \$4,192 for the year. Of this amount, \$115,919 is available for spending at the Village's discretion (unassigned fund balances).
- At June 30, 2014, the Village's proprietary funds reported combined ending net position of \$2,118,148, a decrease of \$33,150 for the year.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Overview of the Annual Financial Report

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental and business-type activities are presented in separate columns along with a total column for the primary government.

The Statement of Net Position presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities - Most of the Village's basic services are reported here, including general government, public safety, court costs, highways and streets, and sanitation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, taxes on insurance premiums, occupational licenses, sanitation fees and fines.
- Business-type activities - The Village charges a fee to customers to help cover all of the cost of the services provided. The Village's water and sewer utility systems are reported in this section.

The government-wide financial statements include the Village of Tickfaw, Louisiana (primary government) only and can be found on pages 14 through 16 of this report.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds account for water, and sewer utility services provided by the Village to its customers. Proprietary fund statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail. The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 19 and 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 42 of this report.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 14 of this report.

Net Position June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	\$ 223,208	\$ 230,241	\$ 181,495	\$ 149,660	\$ 404,703	\$ 379,901
Capital Assets	<u>454,329</u>	<u>485,031</u>	<u>1,982,069</u>	<u>2,066,935</u>	<u>2,436,398</u>	<u>2,551,966</u>
Total Assets	<u>677,537</u>	<u>715,272</u>	<u>2,163,564</u>	<u>2,216,595</u>	<u>2,841,101</u>	<u>2,931,867</u>
Liabilities:						
Other Liabilities	<u>22,052</u>	<u>24,893</u>	<u>45,416</u>	<u>65,297</u>	<u>67,468</u>	<u>90,190</u>
Total Liabilities	<u>22,052</u>	<u>24,893</u>	<u>45,416</u>	<u>65,297</u>	<u>67,468</u>	<u>90,190</u>
Net Position:						
Net Investment in Capital Assets						
Assets	454,329	485,031	1,982,069	2,066,935	2,436,398	2,551,966
Unrestricted	<u>201,156</u>	<u>205,348</u>	<u>136,079</u>	<u>84,363</u>	<u>337,235</u>	<u>289,711</u>
Total Net Assets	<u>\$ 655,485</u>	<u>\$ 690,379</u>	<u>\$ 2,118,148</u>	<u>\$ 2,151,298</u>	<u>\$ 2,773,633</u>	<u>\$ 2,841,677</u>

Approximately 88% of the Village's net position reflects its net investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 12% of the Village's net position are unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Village's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on pages 15 and 16 of this report.

Changes in Net Position For the Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 490,876	\$ 499,397	\$ 231,261	\$ 234,072	\$ 713,277	\$ 733,469
Operating Grants and Contributions	33,622	18,206	11,000	18,470	44,622	36,676
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Sales Taxes	123,789	147,097	41,262	49,032	165,051	196,129
Ad Valorem Taxes	38,782	38,275	-	-	38,782	38,275
Alcoholic Beverage Taxes	4,057	3,379	-	-	4,057	3,379
Franchise Taxes	22,128	19,377	-	-	22,128	19,377
Interest Income	122	135	63	80	185	215
Other Revenues	3,256	6,251	-	9,363	3,256	15,614
Sale of Fixed Assets	5,221	3,500	-	-	5,221	3,500
Total Revenues	<u>721,853</u>	<u>735,617</u>	<u>283,586</u>	<u>311,017</u>	<u>1,005,438</u>	<u>1,046,634</u>
Expenses:						
General and Administrative	186,908	183,563	-	-	186,908	183,563
Police Department	388,074	340,182	-	-	388,074	340,182
Court Cost	38,776	31,599	-	-	38,776	31,599
Street Department	53,482	49,335	-	-	53,482	49,335
Street Lights	18,744	17,528	-	-	18,744	17,528
Sanitation	34,684	32,016	-	-	34,684	32,016
Mosquito Abatement	4,883	2,008	-	-	4,883	2,008
Fire Protection	14,250	16,970	-	-	14,250	16,970
Depreciation on Infrastructure	16,946	16,946	-	-	16,946	16,946
Water, and Sewer Utility	-	-	316,736	275,069	316,736	275,069
Total Expenses	<u>756,747</u>	<u>690,147</u>	<u>316,736</u>	<u>275,069</u>	<u>1,073,483</u>	<u>965,216</u>
Change in Net Position	(34,894)	45,470	(33,150)	35,948	(68,045)	81,418
Net Position, Beginning	690,379	644,909	2,151,298	2,115,350	2,841,677	2,760,259
Net Position, Ending	<u>\$ 655,485</u>	<u>\$ 690,379</u>	<u>\$ 2,118,148</u>	<u>\$ 2,151,298</u>	<u>\$ 2,773,632</u>	<u>\$ 2,841,677</u>

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Governmental Activities

The Village's governmental net position decreased by \$34,894 to \$655,485. The decrease is approximately 5% of the prior year ending net assets. In the prior year the governmental net position increased by \$45,470.

The decrease in the governmental change in net position is due primarily to a decrease in police fines of \$17,335 and an increase in police expenditures of \$40,515.

Business-Type Activities

The Village's business-type net position decreased by \$33,150 to \$2,118,148.

The decrease is due primarily to increases in depreciation expense of \$12,384, salaries of \$10,123 and a decrease in sales tax revenue of \$7,769.

Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

The general fund is the chief operating fund of the Village. At the end of the current year, the total fund balance for the general fund was \$115,919, all of which was unassigned. During the current year the general fund had a decrease in fund balance of \$4,761.

As a measure of the general fund's liquidity, it may be useful to compare the fund balance to fund expenditures. At June 30, 2014, the fund balance of \$115,919 is approximately 17.5% of total general fund expenditures of \$663,229.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

General Fund Budgetary Highlights

For the general fund, actual revenues and other sources were \$3,518 more than final budgeted amounts. Actual expenditures were \$10,429 more than final budgeted amounts. The net change in fund balance was \$6,911 less than final budgeted amounts.

For the general fund, original budgeted revenues and other financing sources were \$622,900 and final budgeted revenues and other financing sources were \$654,950. Original budgeted expenditures and other uses were \$618,680 and final budgeted expenditures were \$652,800.

Significant variations from the general fund's original budget amounts and final budget amounts are as follows:

- Police fines were increased by \$21,500.
- Police expenditures were increased by \$26,350 to account primarily for increases in salary, auto and law enforcement fees.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Capital Assets and Debt Administration

Capital Assets

The Village's net investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$2,436,398 (net of depreciation). The total decrease in the Village's investment in capital assets for the current fiscal year was \$115,568.

Major capital asset additions during the current fiscal year included the following:

- Purchase of five police cars totaling \$14,181.
- Purchase of two computers and software totaling \$6,890.
- Purchase of land totaling \$12,068.

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on pages 39 and 40 of this report.

Capital Assets (Net of Depreciation) June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 126,285	\$ 126,285	\$ 104,238	\$ 92,169	\$ 230,523	\$ 218,454
Buildings	340,027	337,668	2,121	2,121	342,148	339,789
Infrastructure	677,839	677,839	-	-	677,839	677,839
Vehicles and Equipment	260,287	254,341	187,029	187,029	447,316	441,370
Water Utility System	-	-	1,075,330	1,075,330	1,075,330	1,075,330
Sewer Utility System	-	-	2,115,797	2,115,797	2,115,797	2,115,797
Accumulated Depreciation	(950,109)	(911,102)	(1,502,446)	(1,405,511)	(2,452,555)	(2,316,613)
Capital Assets, Net	<u>\$ 454,329</u>	<u>\$ 485,031</u>	<u>\$ 1,982,069</u>	<u>\$ 2,066,935</u>	<u>\$ 2,436,398</u>	<u>\$ 2,551,966</u>

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2014

Long-Term Debt

At June 30, 2014, the Village had no debt outstanding.

Other Factors Affecting the Village

The Village of Tickfaw's management approach is conservative. When possible, the Mayor and Council attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village actively pursues grant funds to minimize the cost of major projects to its citizens. The Village also attempts to keep utility rates at the minimum required to cover the costs of utility system operation.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, creditors and investors with a general overview of the Village's finances and show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Honorable Anthony Lamonte, Mayor, Post Office Box 249, Tickfaw, Louisiana 70466, telephone (985) 542-9249.

Basic Financial Statements

Government-Wide Financial Statements

Village of Tickfaw, Louisiana

Statement A

Statement of Net Position
June 30, 2014

	Governmental Activities	Business - Type Activities	Total
Assets			
Cash	\$ 122,481	\$ 36,686	\$ 159,167
Investment in Certificates of Deposit	60,000	-	60,000
Investment in L.A.M.P	-	70,013	70,013
Taxes Receivable	24,430	6,343	30,773
Accounts Receivable, Net	-	8,687	8,687
Due From Other Governments	15,583	-	15,583
Internal Balances	564	2,066	2,630
Utility Deposit	150	-	150
Inventory	-	57,700	57,700
Land	126,285	104,238	230,523
Capital Assets, Net	328,044	1,877,831	2,205,875
Total Assets	<u>677,537</u>	<u>2,163,564</u>	<u>2,841,101</u>
Liabilities			
Accounts Payable	9,374	2,644	12,018
Other Accrued Expenses	5,505	-	5,505
Accrued Salary Payable	926	388	1,314
Accrued Vacation Payable	4,181	2,054	6,235
Internal Balances	2,066	564	2,630
Customer Deposits	-	39,766	39,766
Total Liabilities	<u>22,052</u>	<u>45,416</u>	<u>67,468</u>
Net Position			
Net Investment in Capital Assets	454,329	1,982,069	2,436,398
Unrestricted	201,156	136,079	337,235
Total Net Position	<u>\$ 655,485</u>	<u>\$ 2,118,148</u>	<u>\$ 2,773,633</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

**Statement of Activities
For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General and Administrative	\$ 186,908	\$ 55,268	\$ -	\$ -
Police Department	388,074	349,015	33,622	-
Court Cost	38,776	40,860	-	-
Street Department	53,482	-	-	-
Street Lights	18,744	-	-	-
Sanitation	34,684	35,825	-	-
Mosquito Abatement	4,883	9,908	-	-
Fire Protection	14,250	-	-	-
Depreciation on Infrastructure	16,946	-	-	-
Total Governmental Activities	<u>756,747</u>	<u>490,876</u>	<u>33,622</u>	<u>-</u>
Business-Type Activities:				
Water Utility	149,769	88,383	11,000	-
Sewer Utility	166,967	142,878	-	-
Total Business-Type Activities	<u>316,736</u>	<u>231,261</u>	<u>11,000</u>	<u>-</u>
Total Primary Government	<u>\$ 1,073,483</u>	<u>\$ 722,137</u>	<u>\$ 44,622</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Alcoholic Beverage Taxes

Interest Income

Sale of Capital Asset

Miscellaneous

Total General Revenues

Change in Net Position

Net Position, Beginning

Net Position, Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (131,640)	\$ -	\$ (131,640)
(5,437)	-	(5,437)
2,084	-	2,084
(53,482)	-	(53,482)
(18,744)	-	(18,744)
1,141	-	1,141
5,025	-	5,025
(14,250)	-	(14,250)
(16,946)	-	(16,946)
<u>(232,249)</u>	<u>-</u>	<u>(232,249)</u>
-	(50,386)	(50,386)
-	(24,089)	(24,089)
<u>-</u>	<u>(74,475)</u>	<u>(74,475)</u>
<u>(232,249)</u>	<u>(74,475)</u>	<u>(306,724)</u>
38,782	-	38,782
22,128	-	22,128
123,789	41,262	165,051
4,057	-	4,057
122	63	185
5,221	-	5,221
3,256	-	3,256
<u>197,355</u>	<u>41,325</u>	<u>238,680</u>
(34,894)	(33,150)	(68,044)
690,379	2,151,298	2,841,677
<u>\$ 655,485</u>	<u>\$ 2,118,148</u>	<u>\$ 2,773,633</u>

Basic Financial Statements

Governmental Fund Financial Statements

Village of Tickfaw, Louisiana

Statement C

Balance Sheet
Governmental Funds
June 30, 2014

	Special Revenue Funds			Total
	General Fund	1995 Sales Tax Fund	Fire Protection Fund	
Assets				
Cash	\$ 44,652	\$ 11,634	\$ 66,195	\$ 122,481
Investment in Certificates of Deposit	40,000	20,000	-	60,000
Taxes Receivable:				
Public Utility Franchise	5,400	-	-	5,400
Sales and Use Taxes	12,687	6,343	-	19,030
Due From Other Funds	15,423	-	-	15,423
Due From Proprietary Fund	564	-	-	564
Due From Other Governments:				
Louisiana Beer Tax	1,101	-	-	1,101
LAMATS	14,482	-	-	14,482
Utility Deposit	-	-	150	150
Total Assets	\$ 134,309	\$ 37,977	\$ 66,345	\$ 238,631
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 9,374	\$ -	\$ -	\$ 9,374
Other Accrued Expenses	4,455	-	1,050	5,505
Accrued Salary	829	97	-	926
Accrued Vacation	3,732	449	-	4,181
Due to Other Funds	-	12,222	5,267	17,489
Total Liabilities	18,390	12,768	6,317	37,475
Fund Balances:				
Restricted for:				
Streets and Drainage	-	25,209	-	25,209
Fire Protection	-	-	60,028	60,028
Unassigned	115,919	-	-	115,919
Total Fund Balances	115,919	25,209	60,028	201,156
Total Liabilities and Fund Balances	\$ 134,309	\$ 37,977	\$ 66,345	\$ 238,631

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement D

**Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Assets
June 30, 2014**

Fund Balances, Governmental Funds, Statement C	\$ 201,156
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Capital Assets, Net of Depreciation	454,329
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Net Position, Governmental Activities, Statement A	\$ <u>655,485</u>
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The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	General	1995 Sales	Fire	
Revenues	Fund	Tax Fund	Protection Fund	Total
Taxes	\$ 121,384	\$ 41,263	\$ 22,052	\$ 184,699
Licenses, Permits and Fees	55,268	-	-	55,268
Intergovernmental	4,057	-	-	4,057
Fines and Forfeitures	349,015	-	-	349,015
Drug Seizure	1,595	-	-	1,595
Grants	32,027	-	-	32,027
Court Cost Revenue	40,860	-	-	40,860
Sanitation Services	35,825	-	-	35,825
Mosquito Abatement	9,908	-	-	9,908
Interest Income	52	17	53	122
Other Revenues	3,256	-	-	3,256
Total Revenues	653,247	41,280	22,105	716,632
Expenditures				
General and Administrative	173,204	-	-	173,204
Police Department	372,737	-	-	372,737
Street Department	-	51,333	-	51,333
Court Cost	38,620	-	-	38,620
Street Lights	18,744	-	-	18,744
Sanitation	34,684	-	-	34,684
Mosquito Abatement	4,169	-	-	4,169
Fire Protection	-	-	11,483	11,483
Capital Outlay	21,071	-	-	21,071
Total Expenditures	663,229	51,333	11,483	726,045
Excess Revenues (Expenditures)	(9,982)	(10,053)	10,622	(9,413)
Other Financing Sources (Uses)				
Sale of Fixed Assets	5,221	-	-	5,221
Total Other Financing Sources (Uses)	5,221	-	-	5,221
Net Changes in Fund Balances	(4,761)	(10,053)	10,622	(4,192)
Fund Balances, Beginning	120,680	35,262	49,406	205,348
Fund Balances, Ending	\$ 115,919	\$ 25,209	\$ 60,028	\$ 201,156

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement F

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net Change in Fund Balances, Governmental Funds, Statement E	\$ (4,192)
---	-------------------

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	21,071
Depreciation Expense	(51,773)

Change in Net Position, Governmental Activities, Statement B	\$ <u>(34,894)</u>
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The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement G

Statement of Net Position
Proprietary Fund
June 30, 2014

Assets	Enterprise Fund
Current Assets	
Cash	\$ 34,178
Investment in L.A.M.P	40,004
Accounts Receivable, Net	8,687
Sales Tax Receivable	6,343
Due From Other Funds	2,066
Total Current Assets	<u>91,278</u>
Restricted Assets	
Restricted Cash	2,508
Investments	<u>30,009</u>
Total Restricted Assets	<u>32,517</u>
Property, Plant, and Equipment	
Land	104,238
Plant and Equipment, at Cost	3,380,277
Less: Accumulated Depreciation	<u>(1,502,446)</u>
Net Property, Plant and Equipment	<u>1,982,069</u>
Other Assets	
Inventory	<u>57,700</u>
Total Other Assets	<u>57,700</u>
Total Assets	<u>2,163,564</u>
Liabilities	
Current Liabilities	
Accounts Payable	2,644
Accrued Salary Payable	388
Accrued Vacation	2,054
Due to General Fund	<u>564</u>
Total Current Liabilities	<u>5,650</u>
Current Liabilities (Payable from Restricted Assets)	
Customer Deposits Payable	<u>39,766</u>
Total Liabilities	<u>45,416</u>
Net Position	
Invested in Capital Assets	1,982,069
Unrestricted	<u>136,079</u>
Total Net Position	<u>\$ 2,118,148</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Enterprise Fund
Operating Revenues	
Water Sales	\$ 84,224
Penalties	3,780
Safe Drinking Water Fees	1,088
Reconnect Fees	34
Tap in Fees	1,000
NSF Fees	106
Sewer Charges	141,029
Total Operating Revenues	<u>231,261</u>
Operating Expenses	
Accounting and Auditing	15,796
Auto Fuel	3,966
Auto Repairs	590
Chlorine	7,372
Depreciation	96,935
Diesel	656
Dues	1,083
Equipment Rental	329
Insurance, Liability	5,394
Insurance, Property	4,482
Insurance, Vehicle	3,102
Insurance, Workers Compensation	4,381
Miscellaneous	261
Office Expense	1,305
Payroll Taxes	6,260
Postage	1,826
Repairs and Maintenance	43,369
Salaries	80,086
Safe Drinking Water Fees	941
Sewer Analysis	1,420
Software	1,398
Supplies	833
Telephone	2,311
Utilities	32,640
Total Operating Expenses	<u>316,736</u>
Operating Loss	<u>(85,475)</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Enterprise Fund
Nonoperating Revenues (Expenses)	
Grant	\$ 11,000
Sales Tax	41,262
Interest Revenue	63
Total Nonoperating Revenues (Expenses)	<u>52,325</u>
Change in Net Position	(33,150)
Net Position, Beginning	<u>2,151,298</u>
Net Position, Ending	<u><u>\$ 2,118,148</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement I

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Enterprise Fund
Cash Flows From Operating Activities	
Received From Customers	\$ 230,609
Payments For Operations	(147,909)
Payments For Employees	(92,481)
Payments to Other Funds	(13,298)
Payments to Other Governments	(1,030)
Net Cash Used by Operating Activities	<u>(24,109)</u>
Cash Flows From Noncapital Financing Activities	
Received From Sales Tax	43,894
Received From Grants	<u>18,750</u>
Net Cash Flows Provided by Noncapital Financing Activities	<u>62,644</u>
Cash Flows From Capital and Related Financing Activities	
Purchases of Fixed Assets	<u>(12,069)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(12,069)</u>
Cash Flows From Investing Activities	
Receipt of Interest	63
Cash Invested in LAMP	<u>(30,013)</u>
Net Cash Provided (Used) by Investing Activities	<u>(29,950)</u>
Net Decrease in Cash	(3,484)
Cash, Beginning of Year	<u>40,170</u>
Cash, End of Year	<u><u>\$ 36,686</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets	
Cash and Cash Equivalents, Unrestricted	\$ 34,178
Cash and Cash Equivalents, Restricted	<u>2,508</u>
Total Cash and Cash Equivalents	<u><u>\$ 36,686</u></u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement I

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Enterprise Fund
Reconciliation of Net Operating Loss to Net Cash	
Provided by Operating Activities	
Operating Loss	\$ (85,475)
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	96,935
Change in Accounts Receivable	(1,827)
Change in Other Receivable	
Change in Accounts Payable	(18,836)
Change in Accrued Salary	(2,180)
Change in Accrued Vacation	426
Change in Due From Other Funds	(2,066)
Change in Due To Other Funds	(11,231)
Change in Due to Other Governments	(1,030)
Change in Customer Deposits	1,175
Net Cash Provided by Operating Activities	\$ <u>(24,109)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

Introduction

The Village of Tickfaw, Louisiana was incorporated on April 15, 1957, under the provisions of the Lawrason Act. The Village operates under a Mayor/Board of Aldermen form of government. The Mayor and each of three aldermen are elected at large for four-year terms. The Aldermen are compensated per diem for each meeting attended. The Mayor receives a salary. The Village is located approximately 8 miles north of Hammond, Louisiana, on LA Highway 51 north of Interstate 12 and east of Interstate 55. The Village's total population is 694, as reported by the U.S. Census Bureau, Census 2010. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides water and sewer services to 304 water customers, and 251 sewer customers inside and outside of the Village limits and 222 garbage customers. The Village employs 10 full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no other component units which the Village of Tickfaw has an oversight relationship.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The 1995 Sales Tax Fund and the Fire Protection Fund are considered major funds for reporting purposes.

The 1995 Sales Tax Fund is funded by one half of a one percent sales tax for the purpose of constructing, improving, and maintaining streets and drainage facilities, including the overlaying of streets.

The Fire Protection Fund is funded by a 10 mill property tax for the purpose of providing a fire department in Tickfaw.

The Village reports the following major proprietary funds:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities.

The Village maintains investments in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana to operate as a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments. Investments in LAMP are highly liquid and are considered to be cash equivalents.

Village of Tickfaw, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2014**

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Fire Protection	10.00	10.00
General Corporate Purposes	6.82	6.82
Total	16.82	16.82

At June 30, 2014, there were no taxpayers whose percentage of total assessed valuation was 5% or greater of the total assessed valuation.

The Village assesses a 2% sales and use tax. Proceeds are dedicated to the following purposes:

The 1984 1% sales tax is to be used for the purpose of providing funds for the general fund of the Village and for additional purpose of providing funds for other lawful purposes of the Village. This tax is accounted for in the general fund.

In July 2007, citizens of the Village of Tickfaw voted to allocate one half of the 1995 1% sales tax to the Water and Sewer Utility Funds and one half to the 1995 Sales Tax Fund.

The sales tax is collected by the Tangipahoa Parish School Board and remitted to the Village in the month following the receipt by the School Board. The School Board receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the School Board in June and July (which represent sales for May and June) and received by the Village in July and August have been accrued and are included under the caption "Taxes Receivable."

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line basis over the following useful lives:

Buildings	20 - 40 Years
Improvements	20 - 40 Years
Vehicles and Equipment	2 - 15 Years
Infrastructure	20 - 40 Years
Water Utility System	20 - 40 Years
Sewer Utility System	20 - 40 Years

Village of Tickfaw, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2014**

G. Compensated Absences

The Village has the following policy relating to vacation and sick leave:

Vacation

Employees shall earn vacation by the following schedule:

- One (1) year of continuous service, 5 days (40 hours)
- Two (2) years of continuous service, 5 days (40 hours)
- Three (3) years of continuous service, 10 days (80 hours)
- Four (4) years of continuous service, 10 days (80 hours)
- Five (5) years of continuous service, 15 days (120 hours)

Sick Leave

Employees earn one day of sick leave per month. The maximum amount of sick leave that may be accrued is 24 days.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

The Police Department has the following policy relating to vacation and sick leave:

Vacation

- One (1) year of continuous service, ½ day per month
- Two (2) years of continuous service, ½ day per month
- Three (3) years of continuous service, 1 day per month
- Four (4) years of continuous service, 1 day per month
- Five (5) years of continuous service, 1 ½ days per month

H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

J. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

K. Fund Balance Reporting Footnote

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a resolution of the Board of Aldermen (the Village's highest level of decision making authority),
4. *Assigned* fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Aldermen are authorized to assign amounts to a specific purpose, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

It is the Village's policy to first apply restricted resources when an expenditure is incurred for which both restricted and unrestricted fund balance or net position is available. The Village considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for which amounts in any of these unrestricted fund balance classifications could be used.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

L. Net Position

For the government-wide statement of net position, equity is classified and displayed in three components:

1. Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the Village.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

M. New Accounting Pronouncements

Recently Issued and Adopted Accounting Pronouncements

The Village adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

2. Stewardship, Compliance and Accountability

Budgetary procedures applicable to the Village are defined in state law, Louisiana Revised Statutes 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The Village must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chief executive officer or equivalent must prepare a proposed budget and submit the proposed budget to the Board of Aldermen for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the Village has jurisdiction.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year.
4. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The following individual funds have actual expenditures and other uses that exceeded the budgeted amounts for the year ended June 30, 2014 but did not result in a violation of the Local Government Budget Act.

	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General Fund	\$ 652,800	\$ 663,229	\$ 10,429
1995 Sales Tax Fund	\$ 50,950	\$ 51,333	\$ 383

The following fund has actual revenues that were less than the final budgeted amount and resulted in a violation of the Local Government Budget Act.

	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Fire Protection Fund	\$ 26,650	\$ 22,105	\$ (4,545)

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

3. Cash and Cash Equivalents

As reflected on Statement A, the Village has cash and cash equivalents totaling \$159,167 and investments in certificates of deposit totaling \$60,000 at June 30, 2014. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2014, the Village had \$172,820 in demand deposits (collected bank balances) and \$60,000 in certificates of deposit. These deposits are secured from risk by \$250,000 of federal deposit insurance.

4. Investments in LAMP

Investments held at June 30, 2014 consist of \$70,013 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by the Louisiana Asset Management Pool, Inc., a non-profit corporation organized under the laws of the State of Louisiana. The primary objective of LAMP is to provide a safe environment for the placement of funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company ACT of 1940. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a-7 like pools (such as LAMP) be based on the pool's share price.

The following disclosures are required by GASB Statement No. 31:

- The Village uses the quoted market prices to estimate the fair value of investments.
- None of the investments are reported at amortized cost.
- The Village has investments in one investment pool. The investment pool is LAMP, and the fair value of the position is the same as the value of the pool shares.
- There is no involuntary participation in an external investment pool.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings, sales taxes and grants as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales taxes, franchise taxes, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable, sales taxes and grants comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Funds receivables of \$40,013 at June 30, 2014, consist of the following:

Taxes:

Public Utility Franchise	\$ 5,400
Sales and Use	19,030

Intergovernmental:

State of Louisiana, Beer Tax Distribution	1,101
LAMATS	14,482
	<u>\$ 40,013</u>

The Enterprise Fund accounts receivable of \$8,687 at June 30, 2014, consist of the following:

Active Accounts

0 to 30 Days	\$ 4,690
31 to 60 Days	529
61 to 90 Days	1,354
Over 90 Days	4,114
Total Accounts Receivables	<u>10,687</u>
Allowance for Bad Debts	(2,000)
Total Accounts Receivable, Net	<u>\$ 8,687</u>

Village of Tickfaw, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2014**

6. Interfund Receivables/Payables and Transfers

The following is a detailed list of interfund balances reported in the fund financial statements on June 30, 2014:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 15,987	\$ -
1995 Sales Tax Fund	-	12,222
Utility Fund	2,066	564
Fire Protection Fund	-	5,267
	<u>\$ 18,053</u>	<u>\$ 18,053</u>

The reasons for the interfund receivables/payables balances are as follows:

The reason for the interfund receivable in the General Fund is payroll and other expenses are paid in the General for the 1995 Sales Tax Fund and Utility Fund. All amounts are expected to be repaid in full within one year from the date of the financial statements.

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2014 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 126,285	\$ -	\$ -	\$ 126,285
Total Capital Assets Not Being Depreciated	<u>126,285</u>	<u>-</u>	<u>-</u>	<u>126,285</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	337,668	-	-	337,668
Vehicles and Equipment	254,341	21,071	12,673	262,739
Infrastructure	677,839	-	-	677,839
Total Capital Assets Being Depreciated	<u>1,269,848</u>	<u>21,071</u>	<u>12,673</u>	<u>1,278,246</u>
Less Accumulated Depreciation for:				
Buildings	143,067	11,487	-	154,554
Vehicles and Equipment	208,818	23,340	12,673	219,485
Infrastructure	559,217	16,946	-	576,163
Total Accumulated Depreciation	<u>911,102</u>	<u>51,773</u>	<u>12,673</u>	<u>950,202</u>
Capital Assets Being Depreciated, Net	<u>358,746</u>	<u>(30,702)</u>	<u>-</u>	<u>328,044</u>
Governmental Activities Capital Assets, Net	<u>\$ 485,031</u>	<u>\$ (30,702)</u>	<u>\$ -</u>	<u>\$ 454,329</u>

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

Depreciation was charged to governmental functions as follows:

General Administration	\$ 13,704
Police Protection	15,337
Court Cost	156
Street Department	2,149
Mosquito Abatement	714
Fire Protection	2,767
Infrastructure	16,946
	<u>\$ 51,773</u>

Capital assets and depreciation activity as of and for the year ended June 30, 2014 for business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 92,169	\$ 12,069	\$ -	\$ 104,238
Total Capital Assets Not Being Depreciated	<u>92,169</u>	<u>12,069</u>	<u>-</u>	<u>104,238</u>
Capital Assets Being Depreciated:				
Buildings	2,121	-	-	2,121
Vehicles and Equipment	187,029	-	-	187,029
Water Utility System	1,075,330	-	-	1,075,330
Sewer Utility System	2,115,797	-	-	2,115,797
Total Capital Assets Being Depreciated	<u>3,380,277</u>	<u>-</u>	<u>-</u>	<u>3,380,277</u>
Less Accumulated Depreciation for:				
Buildings	847	71	-	918
Vehicles and Equipment	80,659	20,977	-	101,636
Water Utility System	545,749	33,571	-	579,320
Sewer Utility System	778,256	42,316	-	820,572
Total Accumulated Depreciation	<u>1,405,511</u>	<u>96,935</u>	<u>-</u>	<u>1,502,446</u>
Capital Assets Being Depreciated, Net	<u>1,974,766</u>	<u>(96,935)</u>	<u>-</u>	<u>1,877,831</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,066,935</u>	<u>\$ (84,866)</u>	<u>\$ -</u>	<u>\$ 1,982,069</u>

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

8. Accounts, Salaries, and Other Payables

The payables of \$82,891 at June 30, 2014 are as follows:

	General Fund	1995 Sales Tax Fund	Fire Protection Fund	Proprietary Fund	Total
Accounts	\$ 9,374	\$ -	\$ -	\$ 2,644	\$ 12,018
Salaries	829	97	-	388	1,314
Vacation	3,732	449	-	2,054	6,235
Withholdings	4,455	-	-	-	4,455
Due to Other Funds	-	12,222	5,267	564	18,053
Due to Other Government	-	-	1,050	-	1,050
Customer Deposits	-	-	-	39,766	39,766
	<u>\$ 18,390</u>	<u>\$ 12,768</u>	<u>\$ 6,317</u>	<u>\$ 45,416</u>	<u>\$ 82,891</u>

9. Short-Term Debt

The Village had no short-term debt outstanding at June 30, 2014.

10. Dedication of Proceeds of Flow of Funds - Sales and Use Tax

The Village assesses a 2% sales and use tax. Proceeds are dedicated to the following purpose:

- A. The 1984 1% sales tax is to be used for the purpose of providing funds for the general fund of the Village and for the additional purpose of providing funds for any other lawful purposes of the Village. This tax is accounted for in the general fund.
- B. One half of the 1995 1% sales tax is to be used for the purpose of constructing, improving, and maintaining streets and drainage facilities, including the overlaying of streets and to fund bonds used for street overlay construction. One half of the 1995 1% sales tax is to be deposited into the Utility Fund for the additional purpose of providing funds for any other lawful purposes of the Utility Fund. This tax is accounted for One half in the 1995 Sales Tax Fund and One half in the Utility Fund.

11. Pension Plan

Some of the police department employees of the Village of Tickfaw are members of the Municipal Police Employees' Retirement System of Louisiana (System). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2014

retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Village of Tickfaw is required to contribute at an actuarially determined rate. The contribution rate for the fiscal year ended June 30, 2014 was 31% of annual covered payroll. The contribution requirements of plan members and the Village of Tickfaw are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village of Tickfaw's contributions to the System for the years ending June 30, 2014, 2013 and 2012, were \$24,378, \$14,464 and \$22,569 respectively, equal to the required contributions for each year.

12. Retirement System

Employees of the Village are members of the social security system. In addition to employee payroll deductions, Village funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended June 30, 2014 was contributed by the Village.

13. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

14. On-Behalf Payments by the State of Louisiana

For the year ended June 30, 2014, the State of Louisiana made on behalf payments in the form of supplemental pay to the Village's policemen. In accordance with GASB 24, the Village has recorded \$31,472 of on behalf payments as revenue and as expense in the general fund.

15. Litigation

At June 30, 2014 the Village of Tickfaw was not involved in any litigation.

16. Subsequent Events

The Village entered into a drainage project with an estimated cost of \$118,656 to replace 10 inch culverts with 36 inch culverts on the North side of Hwy 442 West. The Project will be funded by grant revenues.

Required Supplemental Information (Part II)

Village of Tickfaw, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2014**

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
Taxes:				
Sales and Use Taxes	\$ 87,900	\$ 83,000	\$ 82,526	\$ (474)
Ad Valorem Taxes	15,800	18,500	16,730	(1,770)
Public Utility Franchise Taxes	19,200	19,500	22,128	2,628
Licenses, Permits and Fees:				
Business Licenses and Permits	9,100	8,100	8,313	213
Taxes on Insurance Premiums	44,400	46,000	46,305	305
Building & Mobile Home Permits	800	800	650	(150)
Intergovernmental:				
Louisiana Beer Tax Distribution	2,800	3,100	4,057	957
State Supplemental Pay	25,000	31,500	31,472	(28)
Fines and Forfeits:				
Fines	325,000	346,500	349,015	2,515
Drug Seizure	-	1,600	1,595	(5)
State Grants:				
Police Grants	4,000	600	555	(45)
Other	100	800	-	(800)
Municipal Court Revenue:				
Court Cost Revenue	39,400	41,500	40,860	(640)
Sanitation Fees:				
Sanitation Fees	34,500	34,200	34,533	333
Sanitation Penalties	1,100	1,100	1,292	192
Mosquito Abatement Revenue:				
Mosquito Abatement Fees	9,800	9,900	9,908	8
Other Revenues:				
Interest Income	-	-	52	52
Other	1,500	2,750	3,256	506
Total Revenues	<u>620,400</u>	<u>649,450</u>	<u>653,247</u>	<u>3,797</u>

(Continued)

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2014**

Expenditures	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts:</u> <u>GAAP</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget:</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
General and Administrative:				
Accounting and Auditing	\$ 5,500	\$ 5,500	\$ 7,552	\$ (2,052)
Animal Control	2,180	2,180	-	2,180
Assessor	500	500	448	52
Auto Expense	500	500	64	436
Beautification	1,000	-	334	(334)
Capital Outlay	3,500	6,000	6,890	(890)
Christmas Decorations	300	300	234	66
City Hall Gas	1,300	3,400	3,002	398
City Hall Utilities	1,300	1,750	2,042	(292)
Conventions and Travel	3,000	3,400	3,982	(582)
Copier Lease	1,200	1,300	1,242	58
Data Backup	1,200	1,200	1,188	12
Drug Testing	100	100	150	(50)
Dues, Bonds and Licenses	1,000	1,100	1,107	(7)
Insurance, E&O, PO liability	3,000	3,000	2,669	331
Insurance, Health	2,400	4,000	4,072	(72)
Insurance, Property	1,000	1,000	854	146
Insurance, Liability	9,000	5,500	5,099	401
Insurance, Vehicles	1,200	1,200	816	384
Insurance, Workers Compensation	400	400	389	11
Janitorial Services and Supplies	500	700	594	106
Kitchen Supplies	700	700	500	200
Legal	25,000	30,000	28,681	1,319
Miscellaneous	1,800	1,400	1,820	(420)
Office Expense	4,600	6,500	7,557	(1,057)
Official Journal	2,500	2,500	2,429	71
Park Expense	1,000	1,000	511	489
Payroll Taxes	5,600	6,000	6,288	(288)
Pest Control	800	800	903	(103)
Postage	800	800	857	(57)
Professional Fees	3,000	3,000	1,417	1,583
Public Relations	400	400	290	110
Repairs and Maintenance, City Hall	1,000	1,000	152	848
Salaries, Clerk	36,000	36,000	37,488	(1,488)
Salaries, Mayor and Council	35,000	38,900	38,980	(80)
Telephone	4,900	5,100	5,147	(47)
Unemployment	700	700	667	33
Uniforms and Mats	3,100	3,500	3,679	(179)
Total General and Administrative	\$ 166,980	\$ 181,330	\$ 180,094	\$ 1,236

(Continued)

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
Police Department:				
Accounting and Auditing	\$ 5,500	\$ 5,500	\$ 7,552	\$ (2,052)
Advertising	100	200	219	(19)
Auto Fuel	21,300	24,500	24,827	(327)
Auto Repairs	6,500	9,000	9,568	(568)
Building Improvements	700	400	433	(33)
Capital Outlay	12,000	14,400	14,181	219
Communications	700	800	810	(10)
Computer Maintenance	400	400	-	400
Conventions and Travel	2,000	1,400	1,378	22
Dues	1,000	400	400	-
Drug & Psychological Testing	800	1,600	1,770	(170)
Insurance, Health	8,000	1,500	1,534	(34)
Insurance, Liability (Personnel)	12,000	12,300	11,749	551
Insurance, Property	800	800	714	86
Insurance, Vehicles	12,000	9,500	9,247	253
Insurance, Workers Compensation	14,000	12,600	13,057	(457)
Legal	1,000	500	-	500
Law Enforcement Fees	9,000	16,500	16,469	31
Miscellaneous	500	600	2,118	(1,518)
Office Expense	1,500	2,000	2,131	(131)
Payroll Taxes	12,000	10,750	11,140	(390)
Police Retirement	23,800	23,800	24,573	(773)
Postage	100	100	169	(69)
Prisoner Housing	500	200	60	140
Public Relations	1,000	200	186	14
Repairs and Maintenance, Equipment	2,000	4,900	4,984	(84)
Salaries	170,000	180,600	181,287	(687)
Salaries, Supplemental Pay	25,000	31,500	31,472	28
Supplies, Police	1,000	100	318	(218)
Telephone	4,000	6,700	6,723	(23)
Tracking	2,100	3,200	5,206	(2,006)
Training	1,200	1,700	1,146	554
Uniforms	1,000	1,200	1,497	(297)
Total Police Department	353,500	379,850	386,918	(7,068)

(Continued)

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Municipal Court Cost				
Balif	\$ 700	\$ 1,200	\$ 1,135	\$ 65
Capital Outlay	1,200	-	-	-
Court Magistrate	7,200	7,200	7,200	-
Court Prosecutor	4,800	4,800	4,800	-
Legal	2,000	-	-	-
Miscellaneous	200	200	249	(49)
Office Expense	1,500	500	-	500
Payroll Taxes	1,700	1,700	1,789	(89)
Salaries, Court Clerk	21,400	21,400	22,724	(1,324)
Witness Fee	-	700	600	100
Workers Compensation	-	120	123	(3)
Total Municipal Court Cost	40,700	37,820	38,620	(800)
Street Lights and Sanitation:				
Street Lights	18,000	18,300	18,744	(444)
Sanitation Collection	33,000	33,000	34,684	(1,684)
Total Street Lights and Sanitation	51,000	51,300	53,428	(2,128)
Mosquito Abatement:				
Capital Outlay	1,500	-	-	-
Payroll Taxes	-	-	72	(72)
Salaries	2,500	1,000	956	44
Supplies	2,500	1,500	3,141	(1,641)
Total Mosquito Abatement	6,500	2,500	4,169	(1,669)
Total Expenditures	618,680	652,800	663,229	(10,429)
Excess Revenues (Expenditures)	1,720	(3,350)	(9,982)	(6,632)
Other Financing Sources (Uses)				
Sale of Fixed Assets	2,500	5,500	5,221	(279)
Total Other Financing Sources (Uses)	2,500	5,500	5,221	(279)
Net Change in Fund Balance	4,220	2,150	(4,761)	(6,911)
Unassigned Fund Balance, Beginning	120,680	120,680	120,680	-
Unassigned Fund Balance, Ending	\$ 124,900	\$ 122,830	\$ 115,919	\$ (6,911)

(Concluded)
See auditor's report.

Village of Tickfaw, Louisiana

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
1995 Sales Tax Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
Revenues				
Sales and Use Taxes	\$ 45,500	\$ 43,000	\$ 41,263	\$ (1,737)
Interest Income	25	25	17	(8)
Total Revenues	<u>45,525</u>	<u>43,025</u>	<u>41,280</u>	<u>(1,745)</u>
Expenditures				
Auto Fuel	2,300	3,000	2,837	163
Capital Outlay	-	1,000	1,000	-
Diesel	2,400	2,400	2,167	233
Insurance, Liability	400	450	419	31
Insurance, Property	600	600	606	(6)
Insurance, Workers Compensation	2,100	2,000	2,155	(155)
Insurance, Vehicle	1,500	1,750	1,551	199
Miscellaneous	100	100	-	100
Payroll Taxes	1,500	1,650	1,812	(162)
Repairs and Maintenance	10,000	7,000	7,493	(493)
Salaries	19,100	23,000	23,400	(400)
Street Repairs	1,000	7,500	7,437	63
Street Signs & Supplies	300	500	456	44
Total Expenditures	<u>41,300</u>	<u>50,950</u>	<u>51,333</u>	<u>(383)</u>
Net Change in Fund Balance	4,225	(7,925)	(10,053)	(2,128)
Restricted Fund Balance, Beginning	35,262	35,262	35,262	-
Restricted Fund Balance, Ending	<u>\$ 39,487</u>	<u>\$ 27,337</u>	<u>\$ 25,209</u>	<u>\$ (2,128)</u>

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fire Protection Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
Revenues	Original	Final		
Ad Valorem Taxes	\$ 22,700	\$ 26,600	\$ 22,052	\$ (4,548)
Interest Income	50	50	53	3
Total Revenues	<u>22,750</u>	<u>26,650</u>	<u>22,105</u>	<u>(4,545)</u>
Expenditures				
Building Improvements	3,500	500	128	372
Capital Outlay	1,000	1,000	-	1,000
Fire Protection	4,200	4,200	4,200	-
Insurance	800	800	823	(23)
Miscellaneous	200	200	180	20
Repairs	1,000	4,000	2,974	1,026
Utilities	2,700	3,300	3,178	122
Total Expenditures	<u>13,400</u>	<u>14,000</u>	<u>11,483</u>	<u>2,517</u>
Net Change in Fund Balance	9,350	12,650	10,622	(2,028)
Restricted Fund Balance, Beginning	49,406	49,406	49,406	-
Restricted Fund Balance, Ending	<u>\$ 58,756</u>	<u>\$ 62,056</u>	<u>\$ 60,028</u>	<u>\$ (2,028)</u>

See auditor's report.

Other Supplemental Information

Village of Tickfaw, Louisiana

Schedule 4

**Schedule of Compensation Paid Elected Officials
Year Ended June 30, 2014**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

<u>Board Member</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Anthony "Tony" Lamonte, Mayor 14304 Nuccio Road Tickfaw, LA 70466 (985) 345-8796	12/31/14	\$ 28,048
Toni Basso, Alderwoman Post Office Box 576 Tickfaw, LA 70466 (985) 345-6509	12/31/14	3,645
Jo Marie McInnis, Alderwoman 49308 Fedele Rd Tickfaw, LA 70466 (985) 542-9597	12/31/14	3,645
Joseph M. Fedele Alderman 49361 Fedele Rd Tickfaw, LA 70466 (985) 507-4805	12/21/14	3,645
Jimmy Lee Sparacello, Chief of Police Post Office Box 131 Tickfaw, LA 70466 (985) 542-1716	12/31/14	41,640
		\$ <u>80,623</u>

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
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October 2, 2014

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor Anthony Lamonte
and Members of the Board of Aldermen
Village of Tickfaw, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Village of Tickfaw, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Tickfaw's basic financial statements, and have issued our report thereon dated October 2, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Tickfaw's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Tickfaw's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Tickfaw's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompany schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as findings 2014-03 and 2014-04 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Tickfaw's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-01 and 2014-02.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Durnin & James, CPAs". The signature is written in a cursive, flowing style.

Durnin & James, CPA's
(A Professional Corporation)

Village of Tickfaw, Louisiana

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2014

Compliance:

2014-01 - No Control Log of Individual Traffic Citations Issued

Condition:

The chief of police did not maintain a log of each individual traffic citation issued by the police officers under his supervision during the year ended June 30, 2014, as required by state law. As a result there are twelve tickets which are unaccounted for. Louisiana State Law, LSA-R.S. 32:398.1(B) states *"The chief administrative officer of each traffic-enforcement agency shall issue these books, maintain a record of each book and each citation contained therein issued to all individual members of the traffic enforcement agency and shall require and retain a receipt for each book issued."* Furthermore, Attorney General Opinion No. 87.332 states *"It has been the opinion of this office that a Lawrason Act chief of police has the general responsibility for law enforcement in the municipality."*

Criteria:

A control log of all individual traffic citations issued by police officers is required to insure that every ticket written by an officer is turned into the court to be disposed of only by a proper trial in municipal court.

Cause:

Failure to follow the requirements of state law by the chief of police.

Potential Effect of Condition:

In addition to a violation of state law the failure to maintain a log of individual tickets issued by police officers creates an environment in which tickets could be written by police officers with money collected for those tickets without proper prosecution in municipal court and deposit of the money collected into the fiscal agent bank of the Village.

Recommendation:

The Police Chief must maintain a control log of individual tickets written by police officers as required by state law and account for the numerical sequence of tickets issued. Furthermore, in accordance with the provisions of Louisiana law, LAS-R.S. 32:398.3(B), we recommend that the clerk of municipal court meet with the Chief of Police on a quarterly basis and reconcile the tickets processed by the court to the tickets issued by the police officers properly accounting for all missing tickets.

Management's Response:

We concur with the auditor's recommendation. The Clerk of Municipal Court will meet with the Chief of Police on a quarterly basis and reconcile the tickets processed by the court to the tickets

Village of Tickfaw, Louisiana

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2014

issued by the police officers properly accounting for all missing tickets. The effective date will begin with the quarter ending September 30, 2014.

2014-02 - Violation of Local Budget Act

Condition:

The Village of Tickfaw did not comply with certain provisions of the Local Government Budget Act, which requires the Village's office to amend its budget when the actual revenue fails to meet the budgeted revenue by more than 5%.

Criteria:

Budget procedures applicable to the Village of Tickfaw are specified in state law, Louisiana Revised Statutes 39:1301-1315. The pertinent parts of the law and the manner in which the Village of Tickfaw failed to comply is as follows: LSA-R.S. 39:1311(A)(1) requires a budgetary amendment when *"Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more."*

Actual revenues in the Fire Protection Fund totaled \$22,105 while the final budget amount was \$26,650. This resulted in actual revenue being less than the amounts budgeted by \$4,545 or a decrease of 17.10%.

Cause:

This condition appears to be an oversight by management in preparing and amending the 2014 operating budget for the Fire Protection Fund.

Potential Effect of Condition:

As a result of this oversight by management, the budget amendment prepared was overstated compared to the actual revenue collected during the year, causing a violation of the Local Budget Act.

Recommendation:

We recommend the Village of Tickfaw closely monitor its budget and adopt budget amendments when required.

Management's Response:

In management's corrective action plan dated September 23, 2014, management indicated the budget violation was due to erroneously coding one deposit for police fines as Ad Valorem Taxes. The Village's Municipal Clerk will continue to review the coding of deposits to prevent this from happening in the future.

Village of Tickfaw, Louisiana

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2014

Internal Controls:

2014-03 – Deficit in Utility Customer Deposit Escrow Account

Condition:

As of June 30, 2014, The Village of Tickfaw had a deficit in its utility system customer deposit escrow account totaling \$7,249.

Criteria:

The Village of Tickfaw has a custodial responsibility to properly secure utility customer deposits held for the benefit of utility customers by always having on deposit sufficient cash and investments to cover the full amount of utility customer deposits outstanding.

Cause:

This condition appears to be an oversight by management.

Potential Effect of Condition:

As a result of this oversight by management, utility customer deposits were not fully secured as the cash and investments on hand to cover these customer deposits was less than the actual customer deposits outstanding by \$7,249.

Recommendation:

We recommend the Village of Tickfaw immediately transfer \$7,249 from its utility system operating bank account to the utility customer deposit escrow account. We further recommend the Village monitor these balances each month and make the appropriate transfers when necessary to keep adequate funds in the utility customer deposit escrow account fully secured.

Management's Response:

On October 2, 2014, the Municipal Clerk transferred \$10,000 from the operating bank account to the utility customer deposit escrow account.

2014-04 – Internal Controls over Cash Disbursements

Condition:

During our test of internal controls over cash disbursements, we selected 25 disbursements to test. Out of 25, we noted two separate items, roughly 8% of the 25 items selected, totaling \$1,808.91 for invoices that had no approval prior to their payment. However, the Village's internal control procedures require all invoices to be reviewed and approved prior to payment. Documentation of this approval is evidenced by signatures on all invoices.

Village of Tickfaw, Louisiana

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2014

Criteria:

Internal controls should be designed to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. Requiring an independent review of invoices prior to payment helps to ensure that expenditures being paid are proper expenditures of the Village of Tickfaw.

Cause:

This condition appears to be an oversight by management.

Potential Effect of Condition:

The effect of this condition is that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis.

Recommendation:

We recommend that the Village of Tickfaw review their internal control procedures with respect to cash disbursements. Personnel charged with cash disbursement duties should be informed that all disbursements require an approval signature prior to being paid.

Management's Response:

We concur with the auditor's recommendation. Effective October 2, 2014, we reviewed the internal control procedures with respect to cash disbursements and personnel charged with cash disbursement duties has been informed that all disbursements require an approval signature prior to being paid.

Village of Tickfaw, Louisiana

Summary Schedule of Prior Audit Findings
As of and for the Year Ended June 30, 2014

Compliance:

None

Internal Controls:

None

Note: This schedule has been prepared by the management of the Village of Tickfaw, Louisiana.